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CHAPTER II

THE CENTRAL INTELLIGENCE AGENCY
National and Service Intelligence

I. HISTORICAL BACKGROUND

The first effort toward a central intelligence system was taken in July 1941, when the Office of Coordinator of Information (sometimes called OCI) was established by Executive Order and authorized to collect, analyze, and make available to the appropriate officials all information relating to national security. The OCI included propaganda functions. The organization was large and unwieldy. In June of 1942, the propaganda aspects of OCI's responsibilities were transferred to the Office of War Information (OWI). The Office of Strategic Services (OSS) was established during the same month to continue the function of evaluating and correlating intelligence information. It was also to be the agency responsible for secret intelligence and the conduct of guerrilla warfare.

OSS continued to perform these functions throughout the war. Considerable thought was given in the summer of 1945 to the way in which the central evaluation and collection of intelligence could best be accomplished in peacetime. Papers on the subject were prepared for consideration by the Joint Chiefs of Staff, the Secretaries of War and Navy and other officials concerned. In September 1945, by Executive Order, the research and analysis

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functions of OSS were transferred to the State Department. From this transfer has resulted the present Office of Intelligence and Research in the State Department which now reports to an Assistant Secretary of State. Simultaneously with the transfer of research and analysis to the State Department, the Strategic Services Unit (SSU) of the War Department was established to liquidate the rather substantial quantities of operational material accumulated by OSS during the war. SSU was also charged with carrying on, on a more or less caretaker basis, the secret intelligence functions formerly performed by OSS. In other words, the two most important units in OSS were split between two departments.

By Executive Order dated January 22, 1946, the National Intelligence Authority, consisting of the Secretaries of State, War, and Navy, was established by the President. Under the National Intelligence Authority was constituted an organization known as the Central Intelligence Group (CIG) under the direction of a Director of Central Intelligence. The CIG was charged with correlation and evaluation of intelligence, the coordination of departmental intelligence activities, and the performance of intelligence services of common concern.

The National Security Act of 1947 abolished the National Intelligence Authority and transferred the functions of the Central Intelligence Group to the present Central Intelligence Agency (generally referred to as CIA).

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The new agency was superimposed as a top-level national security organization, above the older-established service intelligence agencies. These older services, G-2 of the Army, Office of Naval Intelligence, A-2 of the Air Force, and the Federal Bureau of Investigation (FBI) (with counterespionage functions), all had long histories behind them; CIA with great power, great authority, and great hopes was, in point of time, a nouveau riche. In addition to its work with these agencies, CIA had to establish close working relationships with a new and ambitious State Department intelligence branch. Its work, therefore, cut squarely across and through the National Military Establishment (though it was not, itself, a part of that establishment) and extended beyond the military establishment to other departments of government. CIA was given a mission new to our history and obviously occupies a position of peculiar difficulty.

II. ORGANIZATION OF CENTRAL INTELLIGENCE AGENCY

The National Security Act of 1947 (Sec. 102 (d)(1)(2)(3)(4)(5)) provides in substance that "for the purpose of coordinating the intelligence activities of the several Government departments and agencies in the interest of national security" the Central Intelligence Agency, "under the direction of the National Security Council" shall:

> "(1) ...advise the National Security Council in matters concerning such intelligence activities of the Government departments and agencies as relate to national security;

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"(2) ...make recommendations to the National Security Council for the coordination of such intelligence activities of the departments and agencies of the Government as relate to the national security;

"(3) ...correlate and evaluate intelligence relating to the national security, and provide for the appropriate dissemination of such intelligence within the Government using where appropriate existing agencies and facilities;...

"(4) ...perform, for the benefit of the existing intelligence agencies, such additional services of common concern as the National Security Council determines can be more efficiently accomplished centrally;

"(5) ...perform such other functions and duties related to intelligence affecting the national security as the National Security Council may from time to time direct."

The statute further provides (Sec. 102 (a) and (b)), that the Director of Central Intelligence shall be appointed by the President, by and with the consent of the Senate, from among commissioned officers of the armed services or from among individuals in civilian life. His tenure is indefinite. His annual compensation is $14,000. If a commissioned officer, he is expressly removed from the chain of command of any of the three services "in the performance of his duties as Director." His tenure of office shall not affect his service rank or status. The difference between his service pay and $14,000 is made up.

At present there is one Deputy Director. The Deputy Director acts for, and in the absence of, the Director. He is the principal link between the Director and the operational and administrative functions of the Agency.

CIA is divided into five major offices, each headed by an Assistant Director. In addition there is a division concerned with

administration and housekeeping, and a division charged with the enforcement of security.

The five major offices are the Office of Reports and Estimates (ORE), the Office of Collection and Dissemination (OCD), and three other offices charged with the collection of information by monitoring foreign broadcasts, examining foreign documents, collecting information by clandestine means, conducting counter-espionage abroad, and other work.

The Office of Collection and Dissemination performs services not only for CIA but for a number of other Government agencies as well. It maintains, through the use of machine records, central indexes indicating the substance and showing the location of information relating to foreign personalities, scientists, etc. and graphic material such as photographs of foreign intelligence value and foreign industrial information. OCD also includes a so-called liaison branch which endeavors to insure that routine reciprocal channels between CIA and other agencies (State, Commerce, Agriculture, the Armed Services, etc.) are maintained so that information secured by these other agencies is available to CIA and that reports prepared by CIA are properly distributed. OCD also tries to eliminate duplication in the field of collection by seeing: (1) that a request for information by a CIA division is routed to the appropriate collecting agency (State, G-2, the clandestine service, etc.); (2) that collection machinery is not put into operation at all if the information required is already

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available (this is accomplished by reference to the machine records); and (3) that two or more requests are not made by different individuals, branches, or agencies for collection of the same information. It disseminates CIA's reports to other Government agencies.

The principle function of the Office of Research and Estimates is the evaluation of intelligence and the preparation of intelligence estimates. For this purpose ORE is divided into six regional branches representing geographical areas. These branches are charged with the examination of "raw" information concerning their respective areas which comes in the form of thousands of cables and reports from State Department missions abroad, from military and naval attaches, from clandestine sources, etc. Estimates made by regional branches form the basis of reports from CIA to the National Security Council or other "customers". In addition to the regional branches there are four groups concerned with economics, science, transportation, and international organizations. These groups act as expert consultants to the regional branches in the preparation of their estimates. The Assistant Director in charge of ORE is assisted by a planning, reviewing, and editorial staff.

ORE also performs a service of common concern to many Government departments through the medium of a Map Branch where central indexes of foreign maps are kept and facilities for map making are available.

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III. OTHER INTELLIGENCE AGENCIES

CIA is the apex of a pyramidal intelligence structure. Other Government intelligence agencies, without which no intelligence service could be complete, are numerous and important. This study is primarily concerned with CIA since the Committee's work schedule did not permit detailed examination of the structures of the separate service departments. The State Department and the Federal Bureau of Investigation and other Governmental departments with intelligence activities lie beyond the scope of the work of the Committee. Nevertheless, it would be misleading and inaccurate to focus attention solely upon CIA without meaningful reference to the other intelligence agencies.

The service agencies are three—the Army G-2, the Office of Naval Intelligence, and A-2 of the Air Force. The Federal Bureau of Investigation is charged with counterespionage in this Country, although the Army's Counter Intelligence Corps carries out investigations within army ranks. The Navy and the Air Force also investigate their own personnel, calling in the F.B.I. from time to time. The State Department maintains its own intelligence branch. Each of these services maintain sizeable organizations for the collection of intelligence (through military, naval, and air attaches and by other means), for its classification, and for its evaluation and analysis. Each maintains certain expert advisers and specialists, each some researchers. Each must cooperate with and dovetail into the other; each must support and maintain CIA if there is to be

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effective intelligence. Neither these agencies nor CIA can operate with success independently; they are all interdependent.

IV. RELATIONSHIP WITH OTHER AGENCIES

Contact between the National Security Council and CIA is maintained through the Director of CIA who attends Council meetings.

Three joint committees contribute to the relationship between CIA and other Government agencies:

(a) By National Security Council directive there exists an organization known as IAC (Intelligence Advisory Committee) consisting of the principal intelligence officers of State, Army, Navy, Air Force, the Joint Staff, and the Atomic Energy Commission. The Director of CIA acts as chairman, although CIA technically is not a member of the committee. In the past it has dealt largely with procedural matters, although on occasions it has met to consider matters of substantive intelligence. The Intelligence Advisory Committee was probably originally established by the National Security Council as a forum to deal with problems arising in the course of CIA's discharge of its statutory duty "of coordinating the intelligence activities of the several Government departments...."

(b) Within CIA is a group known as ICAPS (Interdepartmental Coordinating and Planning Staff) which consists of a number of individuals assigned to CIA by the State Department and the military services. Its activities to date have largely

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consisted of handling papers of procedural concern to Intelligence Advisory Committee agencies. The chairman of ICAPS is the official CIA representative at meetings of the National Security Council staff. A representative of CIA's Office of Research and Estimates attends meetings of the Council's staff when invited, and is thus developing an informal working relationship between CIA and the Council's staff.

(c) A third Committee is the so-called "Standing Committee" which consists of representatives of State and the military services on the "Colonel" level who are not assigned to CIA but are charged within their respective agencies with cognisance of CIA matters.

The Director of CIA has no direct, formal contact with the Joint Chiefs of Staff. The Joint Intelligence Committee of the Joint Chiefs of Staff does not include him in its membership although the lower-echelon Joint Intelligence Group of the Joint Staff includes a CIA representative. Representatives of both the Joint Staff and of CIA participate in Intelligence Advisory Committee meetings, which does provide a certain contact--though a tenuous one--between the Joint Chiefs of Staff and CIA.

Working relations with outside agencies are maintained through the liaison sections of the Office of Collection and Dissemination of CIA. These maintain channels for routine reciprocal interchange of information needed by CIA or other Government agencies and for the distribution of reports. Working relationships also are being

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built up with varying degrees of success between the regional branches of the Office of Reports and Estimates and their opposite numbers in State, G-2, etc.

Another type of relationship is the ad hoc committee, of which a number have been constituted. An example is the committee formed under the chairmanship of a representative of ORE, to allocate amongst Government agencies responsibility for compiling appropriate sections of basic regional studies (political sections to State, sections on road communications to Army, etc.) and to determine the priorities to be accorded to studies of various areas.

A working relationship exists between FBI and CIA. As CIA interrogates foreigners who are in the United States and who are potential sources of information about developments abroad and as the FBI is concerned with the security aspects of foreigners within the United States, the jurisdictions of the two agencies overlap. Liaison is accomplished by representatives of CIA and FBI, designated for the purpose. Liaison is also maintained by interchange of reports between the counterespionage officials of CIA and appropriate representatives of FBI.

The FBI formerly investigated all prospective CIA employees for security, but due to the pressure of these and other commitments FBI has felt obliged to discontinue this service. The FBI, however, cooperated with CIA, on the latter's request, in special security checks.

A type of relationship of considerable importance is exemplified

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by the Chief of the Map Section of CIA, who is also a special assistant to one of the divisions of the State Department. [redacted]

[redacted]

V. PERSONNEL

(a) General

There has been some newspaper and much official and unofficial criticism of the personnel of CIA. During the course of a much too rapid expansion of the organization which took place under a previous Director, mistakes in personnel procurement were made. There is evidence, however, of improvement in the recruiting of men and women with appropriate education, experience, and personality, although additional improvement is needed. Many of the individuals on the "desk" or staff level appear to be intelligent, enthusiastic, and competent. Time, experience, and training are necessary, probably requiring years, to build up a fully competent staff for all offices and echelons of CIA. This can only be accomplished as a matter of internal administrative development with continuity of competent leadership.

(b) Size of Operating Staff

A number of the services that CIA performs as a matter of common

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concern to other agencies of the Government require substantial staffs. These include the staffs necessary to: (1) maintain a reference library and central indexes of all intelligence materials; (2) perform certain essential liaison functions; (3) operate five radio monitoring stations in this Country and abroad and maintain the editorial staff necessary to monitor an average of two million words a day broadcast by foreign radio stations, and to distribute daily digests of information taken from these broadcasts; (4) maintain a central map service for all Government agencies, and (5) examine quantities of foreign documents measured in tons. The number of individuals employed in the conduct of CIA's clandestine activities is probably not excessive when the peculiar services required for such operations are considered. A considerable staff will inevitably be necessary to enable CIA to perform its evaluating function. Although there is duplication in the economic and political research done by various Government departments and agencies including CIA, the total number of persons employed by the Government for research purposes cannot, in all probability, be very substantially reduced.

(c) Administrative and Security Personnel

The size of the Security Division of CIA is probably reasonable.

The present size of the Administrative Division seems excessive, particularly in light of requirements for an administrative staff in each of the offices in some of which security requires a large degree of independance. On the other hand, an organization as large as CIA requires a substantial amount of housekeeping, telephone service,

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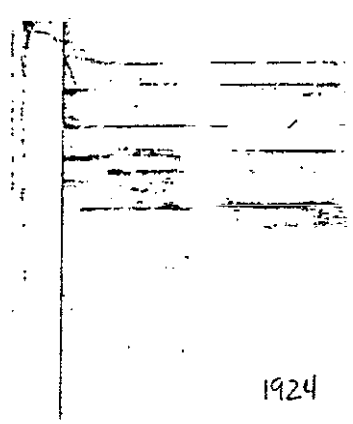
maintenance of personnel records, etc. The problem is complicated by the fact that accomodations to house CIA centrally are not available and could only be constructed at a substantial cost and with considerable publicity. A certain amount of decentralization of CIA may be desirable for security reasons. CIA is spread amongst twenty-two separate buildings, including warehouses, all of which must be maintained and serviced separately. Moreover CIA maintains a large number of field stations of one sort or another in various parts of the United States and abroad which are supplied by the Administrative Division. Reduction of the administrative overhead is possible and desirable. There is some evidence of interference by administrative functionaries in matters of primarily operational concern. A certain amount of such interference is inevitable due to the fact that a Director will tend to entrust the enforcement of budgetary controls to his immediate administrative representatives. Too much interference of this sort is undesirable, but this is an administrative problem that must be solved internally.

VI. EVALUATION

Intended as the major source of coordinated and evaluated intelligence, on which broad national policy could be soundly based, the Central Intelligence Agency has as yet fallen short of the objective. While it has made progress in organizing and equipping itself, its product, however valid, does not presently enjoy the full confidence of the National Security Organization or of the other



agencies it serves and has not yet—with certain encouraging exceptions—played an important role in the determinations of the National Security Council.

CIA raises some difficult problems which, for reasons of security, are not easy to discuss. The Committee feels that CIA is properly located under the National Security Council; that its organization needs continuing careful attention and that better working relationships with other agencies must be established. In this respect it suffers from a familiar fault, recurrent throughout the whole National Security Organization. Its main problem, as is likewise true of most of the other agencies, is one of personnel. The Committee emphasizes a truism, that good intelligence depends upon good personnel. CIA must have imaginative and vigorous supervision. The Committee is certain that the director of the CIA must have continuity of tenure and should be selected primarily on the basis of competence, but that, other things being equal, it would be preferable that he be a civilian.

The Committee was particularly concerned over the Nation's inadequacies in the field of scientific, including medical intelligence. The vital importance of reliable and up-to-date scientific information is such as to call for far greater efforts than appear to have been devoted to this need in the past. Scientists in general have expressed considerable distress at the paucity of information available, and the relationship between science and CIA does not seem to be of the best.

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The intelligence agencies of the services, the State Department, and the FBI must do their proper share, and the whole must pull in harness if our intelligence services are to be adequate to the difficult requirements of the atomic age. The very problems that have beset CIA have troubled, to more or less degree, the other intelligence agencies. Of all these problems, one looms largest--personnel. The skilled and experienced personnel of wartime have in most cases severed their connections with the services; selection and replacement of new personnel have been extremely haphazard. In one of the service's intelligence systems at headquarters, Washington, no Russian linguist is now permanently employed. In Germany, the conduct of the Army's Counter Intelligence Corps, a highly important part of intelligence work, became notorious, yet inherently this was not the fault of the Corps; the personnel assigned to it had no qualifications or training for the work and was often of inadequate caliber. The Army's remedy for this situation was not to improve personnel selection and training, but to order all CIC personnel to wear uniforms, live in barracks, and report for regular Army meals. Under such a regimen they were expected to keep in contact with the local population and to catch spies!

Choice intelligence berths in the services have too often been assigned to officers not particularly wanted by other arms or branches. The capable, experienced, and thoroughly devoted personnel who have specialized in intelligence have too often seen their organizations

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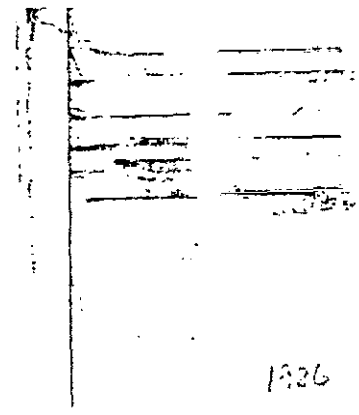

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and their systems ruined by superior officers with no experience, little capacity, and no imagination. In the Committee's opinion, it is highly important that an intelligence corps—or at least an intelligence career—be provided by the services and that adequate selection and training systems be inaugurated.

The services must also try to rid their intelligence estimates of subjective bias. Partly because of their natural service interests, partly because of inter-service budgetary competition, our estimates of potential enemy strengths vary widely, depending upon the service that makes them. The Army will stress the potential enemy's ground divisions, the Navy his submarines, the Air Force his planes, and each estimate differs somewhat from the others. In one specific instance, an estimate of the Joint Intelligence Committee of the Joint Staff of the Joint Chiefs of Staff contained so many inconsistencies within a single paper that it was considered valueless for planning purposes. Out of this mass of jumbled material, and harassed often by the open and covert opposition of the older agencies, CIA has tried to make sense. That it has not always succeeded has not been entirely the fault of CIA.

Intelligence can best flourish in the shade of silence. But if it is not subjected to scrutiny it could easily stagnate. Another examination, two or three years from now, of our intelligence system should be undertaken, either by a Congressional watchdog committee, or preferably by a committee akin to the Dulles group (described below). The basic framework for a sound intelligence organization

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now exists; yet the material so far produced is by no means adequate to our national safety in this age of "cold war" and the atomic bomb. That framework must be fleshed out by proper personnel and sound administrative measures. Intelligence is the first line of defense.

Dulles Committee

A detailed study of the organization and activities of the intelligence divisions of the government, including CIA, is being made by a committee consisting of Mr. Allen Dulles, Mr. William H. Jackson, and Mr. Mathias Correa, who are assisted by a staff of four directed by Mr. Robert Blum, of the Office of the Secretary of Defense. The Committee was appointed by the President on the recommendation of the National Security Council. It will make its report with specific recommendations by January 1, 1949. All problems here considered will also be reviewed by the Dulles Committee.

Qualifications of Director

A moot question is whether the Director should be a civilian or a professional military man. The argument in favor of a service man is that he will command more confidence from the armed services who talk his language and will respect his position and security. With a military man, the present pay scale will not prove a deterrent. The job could be developed into one of the top staff assignments available to members of the three services.

Against this, it is said that the position requires a broader background and greater versatility and diplomatic experience than is

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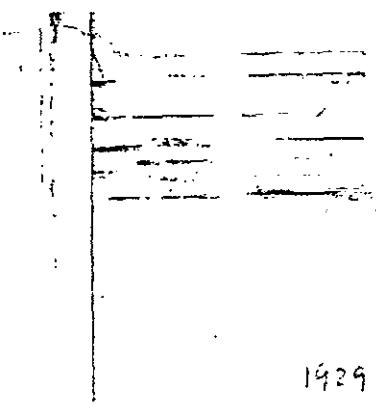
usually found in service personnel; that the best qualified and most competent officers would not accept the position if to do so meant permanent retirement and an end of the road to important command or operational responsibility. If a military man is assigned to the position as a tour of duty, he will, it is said, inevitably be influenced to some degree, in the execution of his duties, by his rank and status as compared with that of other officers with whom he deals. He may also be influenced by concern for his next billet.

The principal argument against a civilian is the difficulty of getting a good one. It will be difficult to attract a man of force, reputation, integrity, and proven administrative ability who has an adequate knowledge of foreign history and politics and is familiar with intelligence techniques and the working machinery of the Government and the military establishment. Not only is the pay low in comparison to industry and the professions, but the reward of success is anonymity. The wisdom of putting an individual who lacks intelligence experience in charge simply because he is a competent administrator is dubious. A civilian would have the advantage of being free from taint of service ambitions or rivalries. On the other hand a civilian may be more subject to political pressure than a military man. In certain foreign countries this has occurred. In any event a civilian would have to be a man of commanding reputation and personality in order to secure the respect and cooperation of the services. CIA's relations with the State Department would undoubtedly benefit from the presence of a civilian



director, known and respected by the Secretary of State and his assistants.

The intrinsic interest of the work, its potential influence on policy, and recognition of public service to be performed might combine to persuade a competent civilian to accept the position. If so, his appointment would seem desirable. A change in the statute that would disqualify a military man is not, however, recommended.

Moreover it would not be wise, at this time at least, to amend the statute to include a mandatory requirement that a military man, appointed as Director, must retire from the service. A competent officer could be persuaded to retire from his service and abandon his career to become Director of CIA only if he felt some assurance of a reasonable tenure of office. That no such assurance exists today appears from the fact that three different Directors have been appointed since January of 1946. A provision requiring the retirement from service of any commissioned officer appointed Director might appropriately be included in the statute—if coupled with provision for adequate retirement pay in case he is removed as Director.

Location

(1) CIA's location under the NSC

CIA must necessarily be centrally located both as a "coordinator" and as an "evaluator." It must work with service intelligence agencies and with agencies outside the National Military Establishment. It must accomplish the allocation of responsibility for collection and research among Government agencies and fulfill

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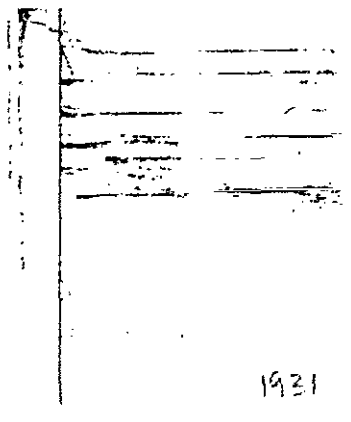
its responsibility for central evaluation of intelligence free from departmental prejudice, control or bias, whether real or imagined. It must exercise authority through directives issued centrally and must at the same time maintain smooth and constant working relationships with the other departments and services.

It has been suggested that CIA should report directly to the President. One alleged advantage of such an arrangement is that CIA's authority as a coordinator would thus be enhanced, as its directives could be issued as executive orders. Another is that CIA would then report to an individual rather than a committee.

Apart from the question of burdening the President with additional personal responsibility, it is doubtful whether, as a practical matter, he has the time to pay much attention to it. Internal administration will always remain the personal responsibility of the Director of CIA who can be held accountable by the National Security Council, at the instance of any one of its members, as effectively as by the President. It is unlikely that the Director's effectiveness either as a "coordinator" or an "evaluator" would be increased by putting him on a White House level. His estimates would, in all probability, receive neither more nor less attention from the departments if they emanated from the executive office of the President or an appendage thereto. The exercise of CIA's coordination function to allocate responsibilities must, initially at least, be performed on a more or less negotiated basis. Efforts to impose directives concerning the internal workings of a department



upon officials of the level of the Secretary of State or Secretary of Defense are not likely to meet with success.

Suggestions have also been made that CIA should be in the State Department or in the National Military Establishment. But CIA's functions and interests transcend both the military establishment and the State Department. The Army has suggested that the National Security Act be amended to provide "that the Secretary of Defense shall be responsible for coordinating the intelligence activities of the departments and agencies of the National Military Establishment," and that CIA "shall deal only with the Secretary of Defense, or such other agency or agencies as he may designate." But inclusion of such a provision would tend to break down the necessarily complicated but established working relationships between CIA and individual agencies, and in any case seems redundant. The Secretary of Defense must be, per se, the coordinator of intelligence and all other activities within the military establishment, and CIA practically must deal with him—as it actually does through the National Security Council. A better mechanism than now exists for coordinating the service intelligence agencies in the Secretary's office could be established, but there should be no artificial restriction of the flexibility and authority needed by CIA. CIA is properly placed under the National Security Council.

(2) Location of "common services" under CIA

Under the statute CIA is entrusted with the performance of such services of common concern as the National Security Council shall

determine. At present these include, apart from Scientific Intelligence, which is discussed separately: (a) maintenance of central indexes of report, records and documents having intelligence value; (b) examination of foreign documents from which intelligence material is extracted and disseminated; (c) maintenance of central map facilities; (d) monitoring of foreign broadcasts; and (e) collection of information by clandestine means and counterespionage abroad.

There is little real dispute that the first four of these functions should be located centrally. The question of where the clandestine operational activities should be located has long been the subject of debate. Wherever located, there is little doubt that they should all be treated together as a single unit.

Proponents of the theory that the clandestine service should be under the State Department point to the British precedent [redacted] and that secret intelligence is closely related to the formulation of diplomatic decisions. Others maintain that espionage is essentially valuable for defense and in wartime would inevitably pass to military control and become a function of command. They argue that this service should be under the Secretary of Defense or the Joint Chiefs of Staff.

An objection, sometimes made to continuing espionage under the CIA, is that it creates so complex an administrative burden for the Director as to render it difficult for him to function as an "evaluator"; also that as an "evaluator" he will be prejudiced in favor of

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information procured by his own service. This objection has some slight validity but must be weighed against serious objection to placing the service elsewhere.

The arguments in favor of control by the Secretary of Defense or the Secretary of State are in large degree mutually exclusive, and this fact suggests retention of the service in its present spot under a body where both are represented. [redacted] If war should come, any intelligence service too largely dependent upon its Foreign Service would find itself hobbled in enemy countries at the very time when it was most needed. [redacted]

Considerable thought must be given, however, to the desirability of splitting CIA in time of war and transferring two or three of its five major divisions—certainly the operational services, the open and covert collection of information—to the National Military Establishment, where they could function under the Joint Chiefs of Staff (preferably) or under the Secretary of Defense. If inclusion of these services in the wartime chain of command is deemed desirable, the objective could be facilitated by a slight, and at the same time a desirable, change in CIA's present organization—the grouping of all operations under a Deputy Director who should have considerable, though not unlimited independence. In time of peace, the Deputy

Director in charge of operations would function under the Director CIA; in time of war he might if necessary report directly to the Joint Chiefs of Staff.

Continued experience may suggest other changes, but change is disruptive in itself, and one great present need of the intelligence services is a relatively reorganization-free period in which to work out their problems. If at some future time it appears desirable to transfer CIA's operational functions to another agency, the transfer might be accomplished with the approval of the National Security Council, the Director CIA, and the President.

Internal Reorganization

Some changes in the internal structure of CIA, in addition to the groupment of the operating offices under a deputy director, may be needed. The very large number of people employed by CIA in itself suggests that a careful survey should be made of its administrative procedures with a view to greater economy. The administrative division seems too large with danger that the tail may be wagging the dog. The Office of Collection and Dissemination sometimes in the past has acted as a bottleneck but under its new head it appears to be performing an efficient job. Some thought should be given to merging the map services, now under the Office of Research and Estimates, with the other reference facilities under the Office of Collection and Dissemination. The name of this latter office is a misnomer; it probably should become purely a reference service with its full energies devoted to this important work. Its liaison functions might be split

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off to form a separate small section. The Dulles study will undoubtedly make more detailed recommendations for internal reform.

Intelligence Evaluation Board

The greatest need in CIA is the establishment at a high level of a small group of highly capable people, freed from administrative detail, to concentrate upon intelligence evaluation. The Director and his assistants have had to devote so large a portion of their time to administration that they have been unable to give sufficient time to analysis and evaluation. A small group of mature men of the highest talents, having full access to all information, might well be released completely from routine and set to thinking about intelligence only. Many of the greatest failures in intelligence have not been failures in collection, but failures in analysing and evaluating correctly the information available.

Duplication

There is some duplication in the work done by the Office of Research and Estimates and the work in other governmental intelligence agencies. This duplication is caused in part by the fact that ORE and other agencies, notably the intelligence division of the State Department, but also sections of G-2, ONI, A-2 and even the Department of Commerce, examine the same basic material for the purpose of making intelligence estimates. To some degree this may be inevitable and even desirable as CIA must be in a position to verify the intelligence that it evaluates. Examination of basic material for this purpose might be accomplished with fewer people by placing CIA analysts in

the message centers and secretariats of the departments and services to sift out really important material for routing to CIA.

The present size of ORE is in considerable measure due to CIA's dependence on its own facilities for research. Research divisions of other agencies are preoccupied with their immediate departmental requirements and are unable to meet or are otherwise unresponsive to CIA's priorities. CIA accordingly tends to do its own basic research. Duplication in the field of economic research can probably be reduced over a period of time by intelligent use of "coordinating" power exercised over many Government agencies.

Duplication in the field of political reporting remains an issue between CIA and the State Department. Some duplication may be justified on the ground that "two guesses are better than one"; also because CIA and the intelligence division of the State Department work with different objectives and different priorities. However, it is now clear in retrospect that it was a mistake to split up the Office of Strategic Services after the war and to assign part of its functions to one department (State) and part to another (Army). This mistake now has been largely remedied by creation of CIA, but its effects linger on in the research and analysis duplication—particularly marked in the economic and political field—between CIA and State. The feasibility of shifting a large part of the State Department's intelligence section to CIA should be studied. If this should prove to be impractical or undesirable, unnecessary duplication should be eliminated by progressive coordination, interchange of personnel, and

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the allocation of specific responsibilities to various agencies by National Security Council directives.

Evaluation and Correlation

This function is currently performed by daily intelligence summaries containing "spot" intelligence items which go to the President, members of the NSC, and others. Weekly and monthly estimates of the world intelligence situation are also prepared as well as estimates of specific situations. These are drawn up from time to time, as occasion arises, on CIA's own initiative or in response to requests from the National Security Council or other agencies, such as the Joint Chiefs of Staff, concerned with national security.

CIA's estimates and surveys are criticized principally on two grounds. One is that as a normal routine they receive insufficient consideration from the policy makers, and are not responsive to their immediate problems and requirements. A second criticism, which is allied to the first, is that CIA estimates are made without access to all relevant information including information concerning activities and decisions of the military services, operational in nature, such as the extent and deployment of the fleet in the Pacific, etc. Both these criticisms have some elements of truth. The military services tend to withhold operational information and the details of military plans on the grounds of security. In formulating plans the State Department tends to rely on its own judgment and information without consulting CIA. Although CIA appears to be supplied with all

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information of a strictly "intelligence" nature, it is not clear that CIA has adequate access to information about operational developments. Yet effective intelligence is possible only when it is closely linked with planning and policy-making.

Plans and decisions affecting national security are presently made at various places; by the National Security Council, the Joint Chiefs of Staff, the State-Army-Navy-Air Force Coordinating Committee, by the State Department and by the military services individually. These various authorities rely, in formulating their plans and decisions, on the respective departmental intelligence services, of the Joint Intelligence Committee of the Joint Chiefs of Staff, and the Joint Intelligence Group, which is the working body for the JIC, as well as on CIA. If CIA is to perform adequately its function of evaluating and correlating intelligence relating to the national security, it must be aware of, and participate in, the thinking at all these levels.

It is particularly desirable that the association between the Joint Staff and the CIA be as intimate as possible. CIA is the logical arbiter of differences between the services on the evaluation of intelligence. Assumptions made by the Chiefs of Staff both for planning and operational purposes should be formulated with CIA participation or at least reviewed by CIA.

For the purpose of fostering a closer relationship between CIA and the Joint Chiefs of Staff, consideration should be given to including the Director CIA among the membership of the Joint Intelligence Committee of the Joint Chiefs of Staff. Furthermore, it would seem

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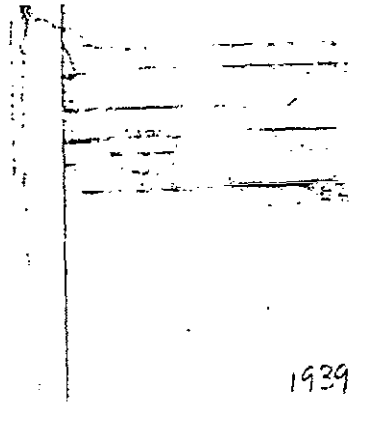

desirable that the Intelligence Advisory Committee meet more frequently to consider questions of substantive intelligence. This would contribute to an interchange of intelligence opinion between the principal intelligence officers of the Government and would in itself insure a closer relationship between CIA and the Joint Intelligence Committee both of which participate in Intelligence Advisory Committee meetings.

It is also desirable that a closer working relationship be established between the sections in CIA responsible for the preparation of estimates and both the National Security Council staff and the Joint Intelligence Group of the Joint Staff.

Scientific Intelligence

Failure properly to appraise the extent of scientific developments in enemy countries may have more immediate and catastrophic consequences than failure in any other field of intelligence. What is needed is a central authority responsible for assimilating all information concerning developments in the field of science abroad and competent to estimate the significance of these developments. This agency obviously must have access to all available information bearing on the problem. It must also be able to provide intelligent direction in the collection of items of information likely to have significance in the scientific field.

At present, responsibility for intelligence evaluation in such fields as biological and chemical warfare, electronics, aerodynamics, developments in guided missiles, etc., is spread amongst various agencies,

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including the Chemical Warfare Service (CWS), G-2, A-2, ONI, and the Atomic Energy Commission as well as CIA. Medical intelligence is virtually non-existent.* Estimates of foreign potentialities made by various agencies are inadequate and contradictory. In CIA itself responsibility for scientific intelligence is divided between the Scientific Branch of ORE and a group concerned with atomic energy. Collection of information concerning scientific developments abroad is clearly inadequate.

On the recommendation of Dr. Vannevar Bush, then Chairman of the R&DB, a scientist of reputation has directed the work of the Scientific Branch of ORE for the past year. He recently resigned** and the office is awaiting the recommendation of a successor by Dr. Compton, who has replaced Dr. Bush. As presently constituted, the Scientific Branch of ORE is not in a position either to evaluate intelligence or to stimulate the collection of necessary information. There is no physician and no mechanism for collecting or evaluating medical intelligence in CIA.

Some of the difficulties presently experienced are inevitable. Any eminent scientist will be impatient with routine regulations, and some "red tape" exists in any government organization. It is desirable, however, that the individual responsible for scientific intelligence

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* See Chapter XIII, Medical Services and Hospitalization in the Military Services.

** The Committee has been advised that CIA has been successful in finding a satisfactory replacement.

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within CIA be freed, as far as possible, from subordination to administrative officials. This might be accomplished in CIA by raising the Scientific Branch to an office level and making its chief an Assistant Director.

A consideration that makes it difficult to keep qualified scientists in CIA is the undesirability of public acknowledgment of the nature of the activity. The practical result is to create the impression that the individual in question isn't employed by anybody. This makes it difficult for him to attend conferences or write papers, and he soon loses standing in his profession. For these reasons, it is highly desirable that arrangements be made whereby any eminent scientist employed by CIA be given a "cover" position. A currently popular but baseless theory that scientists are inherently insecure is advanced as an argument why individuals responsible for scientific intelligence should be denied opportunities for active association with other scientists at conferences, etc., on any basis. Security would appear to be a matter of individual responsibility. No evidence justifies the conclusion that insecurity is an occupational failing peculiar to scientists.

The activities of Scientific Intelligence should be directed by a scientist and not by some otherwise competent individual whose education and experience in the scientific field is superficial. An educated guess as to the implications of a given scientific development can be made only if the guesser has a real understanding of the potentiality of scientific development. Not only must he be fully

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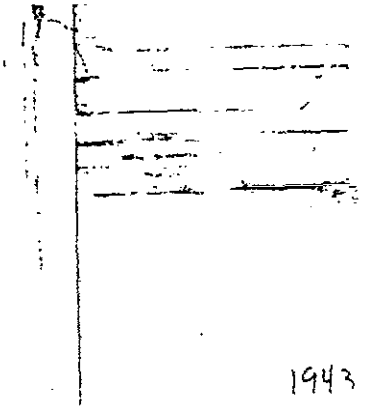
competent to appreciate the significance of development himself, but, if he is to be effective, he must be able to convince other scientists that his interpretation of a given development is reasonable. He must speak the scientific language.

Security considerations occasioned the divorce between the group in CIA concerned with atomic energy and the Scientific Branch. It was felt that individuals concerned with developments in the atomic field should be strictly isolated. Present arrangements for intelligence relating to atomic energy seem to be working more smoothly than those in other scientific fields although the collection of foreign information is slow and difficult, and our atomic energy intelligence is by no means adequate.

Logic suggests that at some future time responsibility for all scientific intelligence be centralized. An immediate reorganization for this purpose would probably be premature and simply retard the development of atomic intelligence without contributing to the improvement of scientific intelligence generally.

Vigorous action is imperative to improve all facilities for evaluating and stimulating the collection of scientific intelligence. Outside the field of atomic energy this must be done by increasing the authority and support given to the official responsible for scientific intelligence within CIA whether he remain on a branch or be raised to an office level. Non-technical as well as technical intelligence information contributes to the evaluation of foreign scientific developments. For this reason scientific intelligence including



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medical intelligence should be evaluated centrally where intelligence information of all kinds is immediately available.

Evaluation of Operations and Location of Counterespionage

For security reasons no attempt has been made at a detailed analysis or appraisal of the clandestine operational activities of CIA. Senior officers of the government who testified before the Committee on the National Security Organization expressed themselves as fairly well satisfied with the necessarily slow progress in this field, although there was a distinct feeling that progress could be more rapid. Even this limited satisfaction is not echoed in lower ranks.

The counterespionage activities of CIA abroad appear properly integrated with CIA's other clandestine operations. Although arguments have been made in favor of extending CIA's authority to include responsibility for counterespionage in this Country, such an extension of jurisdiction does not at present appear justified. For one thing, concentration of power over counterespionage activities at home in the hands of a Director of Central Intelligence responsible for espionage abroad might justifiably arouse public suspicion and opposition. Conceivably it could form the basis for a charge that a gestapo is in process of creation even though the power to arrest were specifically withheld. To transfer responsibility for domestic counterespionage from the FBI, which has an established organization and long tradition, to CIA, which is not equipped for the assignment, would probably create more problems than it would solve. It is

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doubtful whether the logical benefit of having one agency responsible for counterespionage throughout the world would justify the dislocation and confusion that such a transfer would inevitably occasion.

CIA representatives have indicated that their present working liaison with FBI is satisfactory, but the Committee doubts that FBI-CIA relationships are completely adequate. The Director of FBI declined the Committee's invitation to appear before it to discuss the CIA with the committee or its representatives on the ground that he knew too little of its activities.

Budget and Administration

CIA's budget is a guarded secret. Present arrangements appear to work satisfactorily. The interested services participate in requests for the allocation of funds to CIA. The amounts requested are reviewed by representatives of the Bureau of the Budget designated for the purpose and controlled by appropriate committees of the Congress in closed session. CIA has requested amplifying and implementing legislation (S.2688, introduced but not acted upon during the 2d session of the 80th Congress) to define better its powers and to simplify administration and payment of some of its employees. Most of the provisions of this legislation would confer upon CIA that administrative flexibility and anonymity that are essential to satisfactory intelligence, but some of them seem to involve undesirably broad grants of power for the new agency. Congress should examine this proposed legislation carefully, modify it as seems necessary, and act upon it as soon as possible.

Security Legislation*

The CIA, the FBI, and the services have periodically suggested revision of the Nation's espionage laws to reduce the difficult legal burdens of securing convictions under these statutes. Detailed suggestions for revision of the present law, which would permit conviction irrespective of proof of intent to injure the Government, probably will be presented to the next session of Congress. This Committee sympathizes with CIA and other agencies of the Government in their desire to protect themselves against dangerous disclosures by indiscreet and irresponsible persons, and it recognizes the need for more effective counterespionage protection. The Committee has not examined the proposed revision of the espionage laws nor is it competent to judge them. The Committee feels strongly, however, that better protection for essential Government secrets does not lie in legislation alone. Counterespionage is a difficult art, and it has not always been well practiced in this Country. Strengthening of the FBI, the Counter Intelligence Corps of the Army, and CIA's own internal security is important regardless of new laws. Revision of the espionage laws to remove the necessity of proof of intent might broaden the Act to such an extent as to constitute a peril to our concepts of freedom. Such proposals should be examined most carefully by Congress.

The Committee is of the firm opinion that there must be major improvement in all our intelligence services. This cannot be achieved overnight; time is required to build a good intelligence service. A

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* See Chapter XIV, Civil Defense, Internal Security, etc.

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proper selection of personnel and a well thought-out program for their assignment and training are essential--particularly in the Army.

The general framework of our intelligence organization is soundly conceived. The pertinent agencies are aware of its assets and liabilities, of its virtues and shortcomings. The National Security Council, which has properly concerned itself with CIA, should give more thought and attention to the relationships of CIA with other intelligence agencies and working through the Secretary of Defense and the Secretary of State, should encourage the improvement of other intelligence agencies.

Such of the reforms suggested by this survey, and by the Dulles Committee, as are accepted, should be made promptly, but when action has been taken, CIA and other Government intelligence agencies should be permitted a period of internal development free from the disruption of continual examination and as free as possible from publicity.

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basis, to a qualified educational institution or industrial corporation. The cost of this operation, a non-recurring item, has been estimated by OCDP at, in round figures, $5 million.

The cost of running the Office of Civil Defense for the first, full, peacetime year has been estimated at $3,547,990. This includes personnel services, travel, printing, communications, etc.--all the usual items that go to make up the expense sheet of a Government agency. Costs in subsequent years may run higher, depending on subsidies for mobile reserves and other expenses that might be assumed by OCD. The above figure, therefore, represents the minimum cost estimated under present conditions.

INTERNAL SECURITY

On April 2, 1948, at its ninth meeting, the National Security Council (generally referred to herein as NSC or the Council) authorized its Executive Secretary, with the assistance of representatives from the departments represented on the Council and other interested agencies, including the Federal Bureau of Investigation (FBI) to prepare a study and recommendations on the subject of the Internal Security of the United States for Council consideration. Pursuant to this authorization, the Council employed a temporary consultant* to prepare the study and recommendations with the assistance referred to above. He began his survey on April 14; his report was submitted under date

* See Vol. II, Chapter I, National Security Council.

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"The term 'civil defense' is generally used to denote the organized activities of the civilian population (1) to minimize the effects of any enemy action directed against the United States and (2) to maintain or restore those facilities and services which are essential to civil life and which are affected by such enemy action. It does not in general include internal security or active defense measures, such as aircraft warning, which, although they may utilize civilian volunteers, are a responsibility of the Armed Forces."*

On June 28, 1948, the internal security report was submitted to the National Security Council by its Executive Secretary with the suggestion that the Council adopt the conclusions and recommendations therein and submit them to the President for approval. The Council considered the report and finally referred it to the State-Army-Navy-Air Force Coordinating Committee (SANACC) for further study and appropriate implementation.

In furtherance of this reference, SANACC, in turn, appointed working committees to occupy themselves with the problems of internal security. In addition to the members of SANACC, the committees had representatives of the Departments of Justice and Treasury and of the office of the Secretary of Defense. The committees also called in as consultants and observers representatives of certain other agencies. This group found--confirming the above-mentioned report to the National Security Council--that internal security in one form or another was the concern of more than twenty-five different Government agencies, that its problems were both complex and manifold--it listed 52--and

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* Memorandum by Secretary of Defense, Subject - Office of Civil Defense Planning, March 27, 1948.

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emphasized that responsibility for coordinating policy and operations had not been focused.

To date, the committees have arrived at certain recommendations but not unanimously. Because of the lack of unanimity, the matter has been referred back to SAMACC. In the meantime, the President has instructed the National Security Council to place internal security on its agenda for further consideration.

The Committee feels that the importance of the subject demands prompt action. There are few problems of greater significance to national security.

There is, at this writing, in the Bureau of the Budget, but not yet submitted to the Congress, the draft of a bill to amend the Espionage Act* and other Acts relating to the national security. The proposed bill tightens Section 1 and 4 of the Espionage Act and allows indictments for violations of Sections 1, 2, 3, or 4 of Title I of the Act to be found without regard to any statute of limitations. It adds a new category to those persons required to register as agents of a foreign power which would, apparently, apply to many employees of the Central Intelligence Agency, a provision that seems extremely stringent. It also provides for an exception to the Communications Act** in authorizing the heads of certain investigational agencies to require that certain messages or communications be disclosed to authorized

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* (50 U.S.C.A. 31, 34)
** (47 U.S.C.A. 605)

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agents of such agencies; such information to be admissible in evidence but only in a proceeding in which the Government is a party. The proposed bill also provides penalties for violation of regulations pertaining to the protection or security of vessels, harbors, water-front facilities, etc., and of aircraft, airports, or airport facilities.

PSYCHOLOGICAL WARFARE

The Committee heard testimony on this subject and an explanation of the Government's efforts. Testimony was given on the understanding that the Committee would not divulge its contents.

UNCONVENTIONAL WARFARE

This subject also was discussed in confidence, and the Committee was urged to make no mention of unconventional warfare in its report. The Committee assumes the responsibility, however, of this brief reference to the subject only to emphasize the great need and importance of intensive study and more rapid progress in this field.

EVALUATION

Civil Defense

From the outline of the Hoplcy plan presented to the Committee, the plan appeared to be well conceived and drawn up. In general, it should serve as an efficient guide to future development.

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There is no doubt, in the Committee's opinion, of the need for a Federal civil defense agency. It might well be the first agency required in any future war, and upon its efficiency might depend the outcome of that war. In the atomic age some sort of organized protection for the civilian population is imperative.

In the Committee's view, two general principles, seemingly conflicting, should govern such an organization. The first is that civil defense must be what its name implies: civilians must care for themselves. Unless civil defense is organized as such, it could easily enlist, in purely passive defense measures, much of the Country's military strength to the detriment of offensive military efforts. The second principle, which seemingly is--and under improper organization actually could be--in contradiction to the first, is that to cope with atomic disaster some military or semi-military forces, military discipline, and military equipment and organization will be needed to help the civilian population.

These two seemingly irreconcilable principles can be reconciled, however, by building a civil defense organization, as the Hopley plan has done, primarily around civilians and local governments, but supplemented by training, organization, and military or semi-military aid, Federally directed. There must be some provision in any adequate plan--a point not perhaps sufficiently stressed--for mobile military relief, welfare, and disaster-fighting columns to come to the aid of local governments. These columns, possibly composed of Federal troops or of the Federalized National Guard, must supplement civilian relief

organizations and State Home Guards, trained in the complexities of disaster control.

There are several observations that the Committee would like to make about the Hopley plan. Any civil defense plan, to be successful, must be politically and economically feasible. The State organizations proposed in the plan seem somewhat large and might add unduly--unless simplified--to the costs of the taxpayers' budget, already too large. The same observation applies to the proposed first-year budget of the projected office; a more modest beginning would seem to be in order.

There is a more compelling and precise comment. The Committee feels that the placement of the projected Office of Civil Defense under the Secretary of Defense as a part of the National Military Establishment, while possessing some obvious advantages, also entails some major disadvantages.

Such an office in the next war might well become a key agency of Government, its powers huge, its ramifications enormous. No such military control over civilians is desirable--even potentially. Civil defense should be what its title implies--of, by, and for civilians. Its placement in the National Military Establishment would belie the essential civilian character of this office, might complicate the nicely articulated military-civilian relationships that are essential to the success of this effort, and would tend to derogate the importance of the office. If this office were placed in the military

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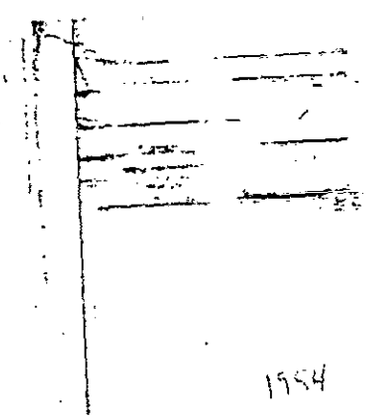

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establishment, governors of states and mayors of cities would be answering, in this field, to the Secretary of Defense, whereas, there should be a civilian chain of command, with military liaison at all levels. Moreover, placement of the office under the Secretary of Defense would put it at the Munitions Board level, rather than on the National Security Resources Board echelon; where it belongs.

The Office of Civil Defense potentially possesses such tremendous power that, in the interests of retaining a secure civilian control over the military, this office should be placed outside of the military structure. In peacetime, it would seem proper to fit this office into the structure of the National Security Resources Board, or as an independent agency (which it should become, in time of war, in any case) answerable directly to the President. No great bureaucracy should be built up, for decentralization of effort is an essential part of any civil defense program. It is obvious, however, that Federal aid, direction, and guidance are absolutely essential to the success of any civil defense scheme, and it is also clear that as a time of emergency approaches the size of the Office of Civil Defense would have to be appreciably increased.

Internal Security

The Committee is considerably concerned by the present diffusion of government responsibility for internal security. This subject is so broad, of course, that no single agency can operate in all the needed fields, but there should be one agency with responsibility to coordinate policy. No such focusing of responsibility has yet been

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made. The full implications of this problem are probably lost upon the average American, yet in any war of the future the efficiency of internal security measures might spell the difference between victory and defeat. Much of this problem is, and should be, primarily a non-military problem. For example, if the military are saddled--against the wishes of many of them--with the security of America's industrial plants and transportation arteries--as they were during the last war--the diversion of military manpower to what is essentially guard-duty tasks would be enormous. Some few facilities, bottleneck plants and focal points, are of sufficient importance to justify a full military guard. But the great bulk of the task of internal security, in so far as the guarding of industrial enterprises, transportation, and communication systems and power plants are concerned, should be a task for private industry, for civilian volunteers, for local law-enforcement agencies, for the National Guard and Home Guard; the Army should not have to build a great "Provost-Marshal Corps." The Committee believes that responsibility for internal security policies should be immediately focused in one agency. A more thorough study of the subject than any yet made must be prosecuted, and interagency frictions must be ended.

The Committee wishes to comment on one other point: the proposed revisions of the Espionage Act. These revisions, now in the Bureau of the Budget, should be thoroughly studied by each Government agency--the Central Intelligence Agency, for instance, might be adversely affected. It is the Committee's opinion that, following

this examination, an extremely careful study by Congress, bar associations, and civil liberties agencies should be made before the revised bill is acted on by Congress. Some of its sections, unwisely applied, might endanger fundamental liberties.

Psychological Warfare

The Committee was happy to note from secret testimony that important steps in this field recently have been instituted by Government. Those steps, however, were belated, and seem to the Committee to be only the beginnings of what should be developed by progressive and energetic action into a well-ordered and sizeable program. The Committee is certain that this subject should receive the quiet but continuous scrutiny of the National Security Council and the Secretary of State. The battle for the minds of men is clearly an important part of the cold war.